

TOWNSHIP OF BURNS
SHIAWASSEE COUNTY
FINANCIAL STATEMENTS
MARCH 31, 2006

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Burns Township	County Shiawassee
Fiscal Year End March 31, 2006	Opinion Date July 14, 2006	Date Audit Report Submitted to State August 8, 2006	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO **Check each applicable box below.** (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☒ The audit opinion is UNQUALIFIED.
13. ☐ ☒ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

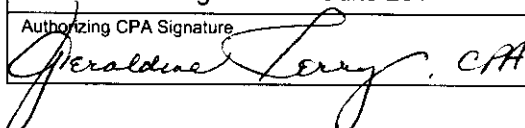
We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) Demis and Wenzlick, P.C.		Telephone Number 989-723-8227		
Street Address 217 N. Washington St. Suite 201		City Owosso	State MI	Zip 48867
Authorizing CPA Signature 		Printed Name Geraldine Terry		License Number 1101026880

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INDEPENDENT AUDITOR'S REPORT

Members of the Township Board
Township of Burns
Shiawassee County, Michigan

We have audited the accompanying general-purpose financial statements of the Township of Burns, Michigan, as of and for the year ended March 31, 2006. These general-purpose financial statements are the responsibility of the Township of Burns, Michigan's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The municipality has elected not to comply with the provisions of governmental Accounting Standards Board Statement #34. The basic financial statements were prepared on the modified accrual basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. GASB 34 requires management's discussion and analysis which also has not been presented.

In our opinion, except for the non-application of GASB 34, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Burns, Michigan, as of March 31, 2006, and the results of its operations for the period then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the Township of Burns. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

Our report of comments and recommendations has been submitted under date of July 14, 2006.

Dennis and Lengyel, PC

Certified Public Accountants

Owosso, Michigan
July 14, 2006

TOWNSHIP OF BURNS
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 2006

	GOVERNMENTAL FUND TYPE		FIDUCIARY FUND TYPE	ACCT. GROUP
	GENERAL	SPECIAL REVENUE	TRUST & AGENCY	GENERAL FIXED ASSETS
ASSETS:				
Cash-Demand Dep.	\$ 11,882	\$ 6,681	\$ 8,289	\$ -0-
Cash-Time Dep.	454,725	402,696	-0-	-0-
Taxes Rec.	9,651	20,288	-0-	-0-
Due from Other Funds	3,756	740	-0-	-0-
Accrued Int. Rec.	792	1,228		
Fixed Assets	-0-	-0-	-0-	742,616
TOTAL ASSETS	<u>\$480,806</u>	<u>\$431,633</u>	<u>\$ 8,289</u>	<u>\$742,616</u>
LIABILITIES:				
Accts. Pay.	\$ 7,245	\$ 245	\$ -0-	\$ -0-
Due to Other Taxing Auth.	-0-	-0-	3,794	-0-
Due to Other Funds	-0-	-0-	4,495	-0-
TOTAL LIAB.	\$ 7,245	\$ 245	\$ 8,289	\$ -0-
FUND EQUITY:				
Inv. in General Fixed Assets	\$ -0-	\$ -0-	\$ -0-	\$742,616
Fund Balance	<u>473,561</u>	<u>431,388</u>	<u>-0-</u>	<u>-0-</u>
TOTAL FUND EQUITY	<u>\$473,561</u>	<u>\$431,388</u>	<u>\$ -0-</u>	<u>\$742,616</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$480,806</u>	<u>\$431,633</u>	<u>\$ 8,289</u>	<u>\$742,616</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF BURNS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2006

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>
REVENUES:		
Property Taxes	\$ 72,641	\$181,817
State Shared Revenues	197,469	-0-
Tax Administration Fees	18,622	-0-
Interest Income	16,130	12,019
Other	<u>15,974</u>	<u>532</u>
TOTAL REVENUES	\$320,836	\$194,368
EXPENDITURES:		
Township Board	\$ 12,119	\$ -0-
Supervisor	12,573	-0-
Elections	1,220	-0-
Assessor	20,108	-0-
Clerk	13,904	-0-
Board of Review	713	-0-
Treasurer	21,757	-0-
Building and Grounds	8,275	-0-
Planning Commission	425	-0-
Cemetery	3,050	-0-
Insurance	8,479	-0-
Drains at Large	3,060	-0-
Roads	137,433	-0-
Street Lights	243	-0-
Recycling	900	-0-
Fire Protection	-0-	61,591
Ambulance Service	<u>-0-</u>	<u>69,600</u>
TOTAL EXPENDITURES	\$ <u>244,259</u>	\$ <u>131,191</u>
EXCESS OF REVENUES OVER (UNDER)		
EXPENDITURES	\$ 76,577	\$ 63,177
Fund Balance April 1, 2005	<u>396,984</u>	<u>368,211</u>
FUND BALANCE AT MARCH 31, 2006	\$ <u>473,561</u>	\$ <u>431,388</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES.
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL AND SPECIAL REVENUE FUND TYPES
YEAR ENDED MARCH 31, 2006

GENERAL FUND

SPECIAL REVENUE FUND TYPES

REVENUES:	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET
Property Taxes	\$ 66,536	\$ 72,641	\$ (6,105)	\$ 183,235	\$ 181,817	\$ 1,418
Grants			0			0
State Shared Revenues	180,000	197,469	(17,469)			0
Tax Admin. Fees	15,000	18,622	(3,622)			0
Interest Income	4,500	16,130	(11,630)	2,100	12,019	(9,919)
Miscellaneous	0	15,974	(15,974)	0	532	(532)
TOTAL REVENUES	\$ 266,036	\$ 320,836	\$ (54,800)	\$ 185,335	\$ 194,368	\$ (9,033)
EXPENDITURES:						
Township Board	\$ 16,500	\$ 12,119	\$ 4,381	\$	\$	\$
Supervisor	13,000	12,573	427			
Elections	5,000	1,220	3,780			
Assessor	21,000	20,108	892			
Clerk	17,000	13,904	3,096			
Board of Review	1,000	713	287			
Treasurer	26,000	21,757	4,243			
Bldg. & Grounds	24,000	8,275	15,725			
Library			0			
Planning Comm.	1,500	425	1,075			
Cemetery	3,500	3,050	450			
Insurance	10,000	8,479	1,521			
Drains at Large	7,000	3,060	3,940			
Roads	140,000	137,433	2,567			
Street Lights	300	243	57			
Recycling	900	900	0			
Contingencies and Emergency Service	11,000		11,000			
Fire Protection			0	103,150	61,591	41,559
Ambulance Service			0	69,600	69,600	0
TOTAL EXPENDITURES	\$ 297,700	\$ 244,259	\$ 53,441	\$ 172,750	\$ 131,191	\$ 41,559
REVENUES OVER (UNDER) EXPENDITURES	\$ (31,664)	\$ 76,577	\$ (108,241)	\$ 12,585	\$ 63,177	\$ (50,592)
Fund Balance 04/01/05	396,984	396,984		368,211	368,211	
Fund Balance 03/31/06	\$ 365,320	\$ 473,561	\$ (108,241)	\$ 380,796	\$ 431,388	\$ (50,592)

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF BURNS
COMBINED STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED MARCH 31, 2006

	BALANCE <u>3-31-05</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	BALANCE <u>3-31-06</u>
ASSETS:				
Cash	\$ <u>8,366</u>	\$ <u>1,747,794</u>	\$ <u>1,747,871</u>	\$ <u>8,289</u>
	\$ <u>8,366</u>	\$ <u>1,747,794</u>	\$ <u>1,747,871</u>	\$ <u>8,289</u>
LIABILITIES:				
Due to Other Funds	\$ 3,482	\$ 284,223	\$ 283,210	\$ 4,495
Due to Other Taxing Entities	<u>4,884</u>	<u>1,463,571</u>	<u>1,464,661</u>	<u>3,794</u>
	\$ <u>8,366</u>	\$ <u>1,747,794</u>	\$ <u>1,747,871</u>	\$ <u>8,289</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Township of Burns conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

FUND ACCOUNTING

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund type and broad fund categories as follows:

GOVERNMENT FUNDS

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organization, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

TOWNSHIP OF BURNS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All government funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financial sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Asset Group, rather than in governmental funds. Public Domain ("infrastructure") general fixed assets consisting of certain improvements including buildings, other than roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. they are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General long-Term Debt Account Group.

TOWNSHIP OF BURNS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include; (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which is recognized when due.

BUDGETS AND BUDGETARY ACCOUNTING

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of the fiscal year, the clerk submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in the Township to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through board approval.
4. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

TOWNSHIP OF BURNS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

5. The budgets were amended during the year ended March 31, 2006. The fire funds budgeted expenditures were increased from \$71,650 to \$72,850. The Ambulance Fund budgeted expenditures were increased from \$62,100 to \$69,600.

INVESTMENTS

Investments of the Township which consist of interest bearing bank accounts and bank certificates of deposit are stated at cost, which is market value.

COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the townships financial position and operations. However, comparative data (i.e. presentation of prior year totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, transactions occur between individual funds for services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

COMPENSATED ABSENCES

The Township does not compensate employees for vacation time, sick time or any other absences.

POST-RETIREMENT HEALTH CARE BENEFITS

The Township does not provide post-retirement health care benefits.

TOWNSHIP OF BURNS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the government fund types. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. There were no significant encumbrances at year end.

COMPONENT UNITS

The accompanying financial statements present the Township's primary government and component units over which the Township exercises significant influence. Significant influence was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligation of the Township to finance any deficits that may occur or receipt of significant subsidies from the Township. Component units that do not meet the criteria for blending are reported discretely.

Based on the foregoing criteria, there were no organizations that need to be included in the Township's annual report.

PROPERTY TAX

Taxes levied on December 1, are payable on February 14. Summer taxes are levied July 1, and payable on September 14. The townships bills and collects its own property taxes and also taxes for the county and local school districts. Collections of the county and school taxes and remittances of them are accounted for in the current tax collection fund. Township property taxes are recognized when levied to the extent that they result in current receivables.

USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

TOWNSHIP OF BURNS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

PROPERTY TAX (CONTINUED)

The Township is permitted by the Municipal Finance law of the state to levy taxes up to 1.0 mill for general governmental services. 0.8933 mill is levied for general services and 0.9928 mill is levied for fire protection, and 0.4964 levied for fire equipment and 0.4964 levied for Community District Library.

The delinquent real property taxes of the Township are purchased by the County of Shiawassee. The county sells tax notes, the proceeds of which are used to pay the Township for these delinquent taxes. This is expected to take place during June, 2006. These delinquent taxes have been recorded as revenue for the current year.

NOTE B - CHANGES IN GENERAL FIXED ASSETS

A schedule of changes in fixed assets is included in the individual financial statements section.

NOTE C - INTERFUND RECEIVABLES AND PAYABLES

At March 31, 2006, individual receivables and payable balances were:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General Fund	\$3,755	\$ -0-
Fire Fund	312	-0-
Current Tax Coll. Fund	-0-	4,495
Ambulance Fund	272	-0-
Fire Equipment Fund	<u>156</u>	<u>-0-</u>
	<u>\$4,495</u>	<u>\$4,495</u>

NOTE D - INVESTMENTS

The Township's deposits consist of interest bearing checking and savings accounts. At year end the carrying amount of the Township's deposits was \$884,272. Of the bank balance \$118,959 was covered by Federal Depository Insurance and \$765,313 was uninsured. Michigan law does not require collateralization of government deposits.

TOWNSHIP OF BURNS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE D - INVESTMENTS (CONTINUED)

The Township's investments at March 31, 2006, consisted of cash and certificates of deposit at one financial institution:

<u>INSTITUTION A</u>	<u>AMOUNT</u>	<u>FDIC INSURED</u>	<u>UNINSURED</u>
Checking-Demand	\$ 18,959	\$ 18,959	\$ -0-
Savings - Time	<u>865,313</u>	<u>100,000</u>	<u>765,313</u>
	<u>\$884,272</u>	<u>\$118,959</u>	<u>\$765,313</u>

A savings account in the amount of \$120,540 is restricted for Fire Equipment.

NOTE E - FIRE EQUIPMENT PURCHASE

The Township signed a purchase agreement on March 27, 2006 for a fire truck and equipment in the amount of \$283,349.00. The funds will come from the Fire Funds savings and certificates of deposit to be paid in full upon delivery.

FINANCIAL STATEMENTS
OF
INDIVIDUAL FUNDS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

TOWNSHIP OF BURNS
GENERAL FUND
COMPARATIVE BALANCE SHEET
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Cash in Bank-Demand Account	\$ 11,882	\$ 4,543
Cash in Bank-Time Deposits	454,725	385,909
Taxes Receivable	9,651	7,770
Accrued Interest Receivable	792	-0-
Due from Other Funds	<u>3,756</u>	<u>2,674</u>
	<u>\$480,806</u>	<u>\$400,896</u>

LIABILITIES

Accounts Payable	\$ 7,245	\$ 3,912
General Fund Balance	<u>473,561</u>	<u>396,984</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$480,806</u>	<u>\$400,896</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>		<u>ACTUAL</u> <u>(OVER)</u> <u>UNDER</u>	<u>2005</u> <u>ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	
REVENUES:				
Property Taxes	\$ 66,536	\$ 72,641	\$ (6,105)	\$ 69,269
State Shared Rev.	180,000	197,469	(17,469)	196,098
Tax Admin. Fee	15,000	18,622	(3,622)	17,733
Interest Income	4,500	16,130	(11,630)	7,251
Other	<u>-0-</u>	<u>15,974</u>	<u>(15,974)</u>	<u>14,098</u>
TOTAL REVENUES	\$266,036	\$320,836	\$ (54,800)	\$304,449
EXPENDITURES:				
Township Board:				
Salaries	\$	\$ 2,570	\$	\$ 2,140
Supplies		723		987
Dues & Prof. Serv.		1,575		3,422
Education		204		572
Print. & Pub.		167		237
Audit		3,300		3,200
Misc.		157		238
Payroll Tax Exp.		<u>3,423</u>		<u>3,526</u>
TOTAL TWP. BOARD	\$ 16,500	\$ 12,119	\$ 4,381	\$ 14,322
Supervisor:				
Salaries	\$	\$ 12,100	\$	\$ 11,750
Mileage		<u>473</u>		<u>451</u>
TOTAL SUPERVISOR	\$ 13,000	\$ 12,573	\$ 427	\$ 12,201
Elections:				
Salaries	\$	\$ 118	\$	\$ 3,855
Supplies		1,084		2,664
Mileage		-0-		291
Printing & Publ.		<u>18</u>		<u>190</u>
TOTAL ELECTIONS	\$ 5,000	\$ 1,220	\$ 3,780	\$ 7,000
Assessor:				
Salaries	\$ 18,000	\$ 18,000	\$ -0-	\$ 17,000
Supplies	<u>3,000</u>	<u>2,108</u>	<u>892</u>	<u>4,133</u>
TOTAL ASSESSOR	\$ 21,000	\$ 20,108	\$ 892	\$ 21,133

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF BURNS
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>		<u>2005</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
EXPENDITURES:				
Clerk:				
Salaries	\$	\$ 13,535	\$	\$ 14,227
Supplies		246		931
Mileage		<u>123</u>		<u>349</u>
TOTAL CLERK	\$ 17,000	\$ 13,904	\$ 3,096	\$ 15,507
Board of Review:				
Salaries	\$	\$ 713	\$	\$ 825
TOTAL BD. OF REVIEW	\$ 1,000	\$ 713	\$ 287	\$ 825
Treasurer:				
Salaries	\$	\$ 14,857	\$	\$ 14,606
Supplies		6,788		7,824
Mileage		<u>112</u>		<u>55</u>
TOTAL TREASURER	\$ 26,000	\$ 21,757	\$ 4,243	\$ 22,485
Building & Grounds:				
Utilities	\$ 7,000	\$ 4,113	\$ 2,887	\$ 4,975
Capital Outlay	5,000	-0-	5,000	634
Repair & Maint.	<u>12,000</u>	<u>4,162</u>	<u>7,838</u>	<u>6,761</u>
TOTAL BUILDING & GROUNDS	\$ 24,000	\$ 8,275	\$ 15,725	\$ 12,370
Library	\$ -0-	\$ -0-	\$ -0-	\$ 1,100
Planning Comm.	1,500	425	1,075	415
Cemetery	3,500	3,050	450	3,050
Insurance	10,000	8,479	1,521	9,406
Drains at Large	7,000	3,060	3,940	1,744
Roads	140,000	137,433	2,567	137,428
Street Lights	300	243	57	239
Recycling	900	900	-0-	900
Contingencies and Emergency Serv.	<u>11,000</u>	<u>-0-</u>	<u>11,000</u>	<u>-0-</u>
TOTAL EXPENDITURES	\$297,700	\$244,259	\$ 53,441	\$260,125

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF BURNS
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>		<u>2005</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (31,664)	\$ 76,577	\$ (108,241)	\$ 44,324
Fund Balance April 1,	<u>396,984</u>	<u>396,984</u>	<u>-0-</u>	<u>352,660</u>
FUND BALANCE MARCH 31,	<u>\$365,320</u>	<u>\$473,561</u>	<u>\$ (108,241)</u>	<u>\$396,984</u>

The accompanying notes are an integral
part of the financial statements.

SPECIAL REVENUE FUNDS

FIRE FUND

Fire Fund is used to account for fees received and monies disbursed for Township fire protection.

FIRE EQUIPMENT FUND

Fire Equipment Fund is used to account for property tax levied to be used for purchasing fire equipment.

AMBULANCE FUND

Ambulance Fund is used to account for fees received and monies disbursed for Township ambulance service.

TOWNSHIP OF BURNS
COMPARATIVE SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2006 AND 2005

	<u>2006</u>			<u>2005</u>	
	<u>FIRE</u>	<u>FIRE EQUIPMENT</u>	<u>AMBULANCE</u>	<u>TOTALS</u>	<u>TOTALS</u>
ASSETS:					
Cash-Demand					
Deposits	\$ 4,637	\$ 2,044	\$ -0-	\$ 6,681	\$ 70,762
Cash-Time Dep.	102,871	144,639	34,646	282,156	183,855
Taxes Rec.	8,680	4,340	7,268	20,288	16,933
Accrued Int.					
Receivable	813	415	-0-	1,228	-0-
Due from Other					
Funds	<u>312</u>	<u>156</u>	<u>272</u>	<u>740</u>	<u>808</u>
	\$117,313	\$151,594	\$ 42,186	\$311,093	\$272,358
RESTRICTED ASSETS:					
Cash-Time Dep.	<u>\$120,540</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$120,540</u>	<u>\$ 96,638</u>
TOTAL ASSETS	<u>\$237,853</u>	<u>\$151,594</u>	<u>\$42,186</u>	<u>\$431,633</u>	<u>\$368,996</u>
LIABILITIES:					
Accts. Payable	\$ 245	\$ -0-	\$ -0-	\$ 245	\$ 785
FUND BALANCE:					
Reserved for Equip.					
Replacement	\$120,540	\$151,594	\$ -0-	\$272,134	\$208,228
Unreserved	<u>117,068</u>	<u>-0-</u>	<u>42,186</u>	<u>159,254</u>	<u>159,983</u>
	<u>\$237,608</u>	<u>\$151,594</u>	<u>\$42,186</u>	<u>\$431,388</u>	<u>\$368,211</u>
	<u>\$237,853</u>	<u>\$151,594</u>	<u>\$42,186</u>	<u>\$431,633</u>	<u>\$368,996</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF BURNS
SPECIAL REVENUE FUNDS
COMPARATIVE COMBINING STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>				<u>2005</u>
	<u>FIRE</u>	<u>FIRE EQUIPMENT</u>	<u>AMBULANCE</u>	<u>TOTALS</u>	<u>TOTALS</u>
REVENUES:					
Grants	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 91,052
Property Taxes	80,564	40,278	60,975	181,817	176,221
Int. Income	7,085	4,111	823	12,019	3,780
Miscellaneous	<u>532</u>	<u>-0-</u>	<u>-0-</u>	<u>532</u>	<u>63</u>
TOTAL REVENUES	\$ 88,181	\$ 44,389	\$61,798	\$194,368	\$271,116
EXPENDITURES:					
Office Supp.	\$ 1,894	\$ -0-	\$ -0-	\$ 1,894	\$ 1,352
Fire Protect.	55,312	4,385	-0-	59,697	156,209
Ambulance Serv.	<u>-0-</u>	<u>-0-</u>	<u>69,600</u>	<u>69,600</u>	<u>57,700</u>
TOTAL EXPEND.	\$ <u>57,206</u>	\$ <u>4,385</u>	\$ <u>69,600</u>	\$ <u>131,191</u>	\$ <u>215,261</u>
EXCESS OF REVENUES OVER (UNDER)					
EXPENDITURES	\$ 30,975	\$ 40,004	\$ (7,802)	\$ 63,177	\$ 55,855
Fund Balance April 1,	<u>206,633</u>	<u>111,590</u>	<u>49,988</u>	<u>368,211</u>	<u>312,356</u>
FUND BALANCE MARCH 31,	\$ <u>237,608</u>	\$ <u>151,594</u>	\$ <u>42,186</u>	\$ <u>431,388</u>	\$ <u>368,211</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
COMPARATIVE BALANCE SHEET
MARCH 31, 2006 AND 2005

FIRE FUND

	<u>2006</u>	<u>2005</u>
ASSETS:		
Cash in Bank - Demand	\$ 4,637	\$ 69,833
Cash in Bank - Time Deposits	102,871	33,610
Taxes Receivable	8,680	6,984
Accrued Interest Receivable	813	-0-
Due from Other Funds	<u>312</u>	<u>353</u>
	\$117,313	\$110,780
RESTRICTED ASSETS:		
Cash - Savings	<u>120,540</u>	<u>96,638</u>
TOTAL ASSETS	<u>\$237,853</u>	<u>\$207,418</u>
LIABILITIES:		
Accounts Payable	\$ 245	\$ 785
FIRE FUND BALANCE:		
Reserved for Equipment	\$120,540	\$ 96,638
Unreserved	<u>117,068</u>	<u>109,995</u>
	\$237,608	\$206,633
TOTAL LIABILITIES AND FIRE FUND BALANCE	<u>\$237,853</u>	<u>\$207,418</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2006 AND 2005

FIRE FUND

	<u>2006</u>		ACTUAL (OVER) UNDER	<u>2005</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Property Taxes	\$ 77,265	\$ 80,564	\$ (3,299)	\$ 77,017
Interest Earned	1,500	7,085	(5,585)	2,353
Miscellaneous	<u>-0-</u>	<u>532</u>	<u>(532)</u>	<u>63</u>
TOTAL REVENUES	\$ 78,765	\$ 88,181	\$ (9,416)	\$ 79,433
EXPENDITURES:				
Salaries	\$ 26,000	\$ 21,693	\$ 4,307	\$ 19,766
Office Supplies	1,600	1,574	26	369
Fuel & Supplies	5,500	5,465	35	3,802
Insurance	9,500	8,329	1,171	9,430
Medical	1,600	900	700	900
Utilities & Misc.	3,650	2,886	764	861
Mileage	1,400	849	551	391
Repairs & Maint.	5,000	4,988	12	4,292
Educ. & Training	4,500	1,645	2,855	2,778
Equipment	11,600	7,204	4,396	3,144
Payroll Tax	<u>2,500</u>	<u>1,673</u>	<u>827</u>	<u>1,496</u>
TOTAL EXPEND.	\$ <u>72,850</u>	\$ <u>57,206</u>	\$ <u>15,644</u>	\$ <u>47,229</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	\$ 5,915	\$ 30,975	\$ (25,060)	\$ 32,204
Fund Balance				
April 1, 2005	<u>206,633</u>	<u>206,633</u>	<u>-0-</u>	<u>174,429</u>
FUND BALANCE				
MARCH 31, 2006	<u>\$212,548</u>	<u>\$237,608</u>	<u>\$ (25,060)</u>	<u>\$206,633</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
BALANCE SHEET
MARCH 31, 2006 AND 2005

FIRE EQUIPMENT FUND

	<u>2006</u>	<u>2005</u>
ASSETS:		
Cash - Demand Deposits	\$ 2,044	\$ 929
Cash - Time Deposits	144,639	106,993
Assessment Receivable	4,340	3,491
Accrued Interest Receivable	415	-0-
Due from Other Funds	<u>156</u>	<u>177</u>
TOTAL ASSETS	<u>\$151,594</u>	<u>\$111,590</u>
 Fire Equipment Fund Balance	 <u>\$151,594</u>	 <u>\$111,590</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEAR ENDED MARCH 31, 2006 AND 2005

FIRE EQUIPMENT FUND

		<u>2006</u>		<u>2005</u> ACTUAL (OVER) UNDER ACTUAL
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	
REVENUES:				
Grants	\$ -0-	\$ -0-	\$ -0-	\$ 91,052
Assessment	38,632	40,278	(1,646)	38,548
Interest Earned	<u>500</u>	<u>4,111</u>	<u>(3,611)</u>	<u>1,129</u>
TOTAL REVENUES	\$ 39,132	\$ 44,389	\$ (5,257)	\$130,729
EXPENDITURES:				
Bank Fees	\$ 300	\$	\$ 300	\$ 11
Equipment Purch.	<u>30,000</u>	<u>4,385</u>	<u>25,615</u>	<u>110,321</u>
TOTAL EXPENDITURES	\$ 30,300	\$ 4,385	\$ 25,915	\$110,332
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	\$ 8,832	\$ 40,004	\$ (31,172)	\$ 20,397
Fund Balance April 1,	<u>111,590</u>	<u>111,590</u>	<u>-0-</u>	<u>91,193</u>
FUND BALANCE MARCH 31,	\$ <u>120,422</u>	\$ <u>151,594</u>	\$ (<u>31,172</u>)	\$ <u>111,590</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF BURNS
COMPARATIVE BALANCE SHEET
MARCH 31, 2006 AND 2005

AMBULANCE FUND

	<u>2006</u>	<u>2005</u>
ASSETS:		
Cash in Bank - Time Deposits	\$34,646	\$43,252
Assessment Receivable	7,268	6,458
Due from Other Funds	<u>272</u>	<u>278</u>
TOTAL ASSETS	<u>\$42,186</u>	<u>\$49,988</u>
 AMBULANCE FUND BALANCE	 <u>\$42,186</u>	 <u>\$49,988</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2006 AND 2005

AMBULANCE FUND

	<u>2006</u>		ACTUAL (OVER) UNDER BUDGET	<u>2005</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Assessment	\$67,338	\$60,975	\$ 6,363	\$60,656
Interest Earned	<u>100</u>	<u>823</u>	<u>(723)</u>	<u>298</u>
TOTAL REVENUES	\$67,438	\$61,798	\$ 5,640	\$60,954
EXPENDITURES:				
Ambulance Service	\$69,000	\$69,000	\$ -0-	\$57,700
Legal & Misc.	<u>600</u>	<u>600</u>	<u>-0-</u>	<u>-0-</u>
TOTAL EXPENDITURES	<u>\$69,600</u>	<u>\$69,600</u>	<u>\$ -0-</u>	<u>\$57,700</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	\$(2,162)	\$(7,802)	\$ 5,640	\$ 3,254
Fund Balance April 1,	<u>49,988</u>	<u>49,988</u>	<u>-0-</u>	<u>46,734</u>
FUND BALANCE MARCH 31,	<u>\$47,826</u>	<u>\$42,186</u>	<u>\$ 5,640</u>	<u>\$49,988</u>

The accompanying notes are an integral
part of the financial statements.

FIDUCIARY FUND

CURRENT TAX COLLECTION FUND

Current Tax Collection Fund is used to receive the Township's current tax collections and to distribute such monies to the Township funds involved therein, and to other governmental agencies.

TOWNSHIP OF BURNS
CURRENT TAX COLLECTION FUND
COMPARATIVE BALANCE SHEET
MARCH 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
ASSETS:		
Cash Demand Deposits	\$ <u>8,289</u>	\$ <u>8,366</u>
	\$ <u>8,289</u>	\$ <u>8,366</u>
LIABILITIES:		
Due to Other Funds	\$ 4,495	\$ 3,482
Due to Other Taxing Entities	<u>3,794</u>	<u>4,884</u>
	\$ 8,289	\$ 8,366
FUND BALANCE	- 0 -	- 0 -
	\$ <u>8,289</u>	\$ <u>8,366</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF BURNS
CURRENT TAX COLLECTION FUND
COMPARATIVE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
YEARS ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
BALANCE APRIL 1,	\$ 8,366	\$ 13,523
RECEIPTS:		
Current Property Taxes	\$1,683,884	\$1,619,085
Delinquent Property Taxes	31,973	9,052
Collection Fees	16,781	17,689
Dog Licenses	2,330	2,260
Interest Earned	1,692	630
Overpayments	9,686	6,336
Penalties	<u>1,448</u>	<u>2,191</u>
TOTAL RECEIPTS AND BEGINNING BALANCE	\$1,756,160	\$1,670,766
DISBURSEMENTS:		
Shiawassee County	\$1,282,031	\$1,228,139
Byron Schools	109,299	112,368
Durand Schools	33,917	31,401
General Fund	94,994	88,669
Fire Fund	78,910	70,767
Fire Equipment Fund	39,450	35,424
Ambulance Fund	60,170	54,432
Library	39,414	34,864
Refunds & Returned Checks	<u>9,686</u>	<u>6,336</u>
TOTAL DISBURSEMENTS	<u>\$1,747,871</u>	<u>\$1,662,400</u>
BALANCE MARCH 31,	\$ <u>8,289</u>	\$ <u>8,366</u>

The accompanying notes are an integral
part of the financial statements.

GENERAL FIXED ASSET ACCOUNT GROUP

To account for fixed assets of
the Township.

TOWNSHIP OF BURNS
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
MARCH 31, 2006

ASSETS

Land and Buildings	\$177,423
Furniture and Fixtures	33,450
Fire Trucks	222,894
Fire Equipment	<u>308,849</u>
	<u>\$742,616</u>

FUND BALANCE

Investment in General Fixed Assets	<u>\$742,616</u>
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The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF BURNS
GENERAL FIXED ASSETS GROUP OF ACCOUNTS
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
MARCH 31, 2006 TO MARCH 31, 2005

ASSETS

	<u>BALANCE</u> <u>3-31-05</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>3-31-06</u>
Land and Buildings	\$177,423	\$ -0-	\$ -0-	\$177,423
Furniture & Fixt.	33,450	-0-	-0-	33,450
Fire Trucks	222,894	-0-	-0-	222,894
Fire Equipment	<u>299,070</u>	<u>9,779</u>	<u>-0-</u>	<u>308,849</u>
	<u>\$732,837</u>	<u>\$ 9,779</u>	<u>\$ -0-</u>	<u>\$742,616</u>

The accompanying notes are an integral
part of the financial statements.



DEMIS and WENZLICK, P.C.

Certified Public Accountants

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Burns Township
Shiawassee County, Michigan

In compliance with the provisions of Section 11, Paragraph 2, of Act 2, Public Acts of 1968, we discovered the following areas which required specific recommendation, as a result of the audit our firm performed on the financial statements of Burns Township for the year ended March 31, 2006.

We have no comments or recommendations at this time.

We wish to thank the board for the excellent cooperation we received in performing the township audit. If we can be of any further assistance to the township please contact us.

Sincerely,

Certified Public Accountants

Owosso, Michigan
July 14, 2006